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SOURCE Hsin Chung-kuo ti Ho-tso Shih-yeh (Cooperative Enterprises of New China), by Chang I-hsien and Chang P'u-an, published by T'ang-ti Cl'u-pan-she, Chap 3, Part 3,

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COMPARISON OF AGRICULTURAL PRODUCTS CREDIT COOPERATIVES WITH SUPPLY AND MARKETING COOPERATIVES IN CHINA

The agricultural products credit cooperatives and the supply and marketing cooperatives are organized by rural village peasants and other laborers as basic cooperatives. Their goal is to promote the production potential of the rural village, to improve the people's livelihood in rural villages, and to eliminate the middleman's profit. From the scope of their management and internal organization, some of the agricultural products credit cooperatives are similar to the supply and marketing cooperatives and cannot be clearly distinguished; due to the present Chinese rural village situation, all cooperatives have similar characteristics. Both the agricultural products credit cooperatives and the supply and marketing cooperatives engage in marketing transactions, in consumption, transport of goods, production, credit, etc., and also assume responsibility for promoting cultural activities.

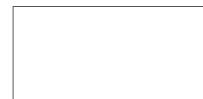
The characteristics which distinguish these two groups can be determined only on a theoretical basis. Cooperatives that carry on business with agricultural products, credit, and loans are called agriculture products credit cooperatives. Cooperatives that carry on business with supplementary farm products, buying, and selling are called supply and marketing cooperatives.

Therefore, the inherent functions of the agricultural products credit cooperative are, on the one hand, to regulate capital funds in the rural villages and, on the other, to undertake the development of agricultural production. The object of its development is to change individual production to collective production, so that farming by man and animal power can be replaced by large-scale mechanized farming. This type of cooperative development is divided into two stages. In the beginning the peasants' activities are combined so that gradually they can be united into a unilateral production force. The first stage is to form agricultural mutual aid organizations to employ correctly the peasants' labor force and consolidate idle funds in the rural village. The agricultural mutual aid organizations would make possible

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proper integration of the peasant's land, labor, and his capital fund. They would also make possible full employment in the rural villages, maximum cultivation of the fields and the maximum circulation of funds. In addition, their formation would result in reforming the rascals, the lazy, and the landlords and would foster the peasants' concept of collectivism and prevent them from going toward capitalism.

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